

Message Text

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PAGE 01 BAGHDA 00738 111146Z

46

ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 H-02 SP-02 /022 W

----- 014129

R 091055Z JUL 75

FM USINT BAGHDAD

TO USDOC WASHDC

INFO SECSTATE WASHDC 2179

UNCLAS BAGHDAD 738

USDOC ALSO FOR FELIX GUERRERO OF HOUSTON DISTRICT OFFICE

E.O. 11652: N/A

TAGS: BTIO, IZ

SUBJECT: RURAL HOUSING CONTRACT WITHDRAWN FROM U.S. FIRM

REF: (A) BAGHDAD 210; (B) USDOC 4275

1. JULY 3 PRINCIPAL OFFICER AND COMMERCIAL ATTACHE CALLED ON DIRECTOR GENERAL OF RURAL HOUSING, MR. AL' AL-BAYATI TO REVIEW STATUS OF 80 MILLION DOLLAR CONTRACT SIGNED FEBRUARY 18, 1975 WITH FRED RIZK CONSTRUCTION COMPANY OF HOUSTON, TEXAS FOR 15,000 RURAL HOUSES. USINT HAD HEARD FROM SEVERAL SOURCES (INCLUDING SENATOR EDWARD KENNEDY, WHOSE ACQUAINTANCE CLAUDE HOOTEN NEGOTIATED FOR RIZK) THAT U.S. FIRM HAD LOST CONTRACT.
2. AL-BAYATI CONFIRMED THAT RURAL HOUSING ADMINISTRATION HAD RELUCTANTLY BEEN FORCED TO CANCEL CONTRACT WITH RIZK BECAUSE OF LATTER'S FAILURE PRODUCE EITHER FOUR PERCENT (3.2 MILLION DOLLAR) PERFORMANCE BOND OR BANK GUARANTEE. CONTRACT REQUIRED THIS WITHIN TWO WEEKS OF SIGNING BUT RIZK WAS GIVEN SEVERAL EXTENSIONS TOTALLING FOUR MONTHS.
3. PROJECT IS SHELVED FOR THIS FISCAL YEAR BUT WILL BE REVIVED, PROBABLY IN ENLARGED FORM, AFTER JANUARY 1, 1975. USINT WILL ATTEMPT TO FOLLOW PROJECT'S DEVELOPMENTS.

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PAGE 02 BAGHDA 00738 111146Z

4. COMMENT: SINCE FEBRUARY FOREIGN COMMERCIAL ATTACHES

HAD UNANIMOUSLY PREDICTED FROM BEGINNING THAT RIZK WOULD
NOT BE ABLE DELIVER AT PRICE PROMISED. RIZK'S FAILURE
HAS HAD NEGATIVE IMPACT ON U.S. COMMERCIAL REPUTATION IN IRAQ.
LOWRIE

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 09 JUL 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975BAGHDA00738
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750240-0366
From: BAGHDAD
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750771/aaaaclaj.tel
Line Count: 65
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 BAGHDAD 210, 75 USDOC 4275
Review Action: RELEASED, APPROVED
Review Authority: hartledg
Review Comment: n/a
Review Content Flags:
Review Date: 05 MAR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <05 MAR 2003 by ThomasVJ>; APPROVED <18 MAR 2004 by hartledg>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: RURAL HOUSING CONTRACT WITHDRAWN FROM U.S. FIRM
TAGS: BTIO, IZ
To: COM
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006